



November 7, 2017

The Honorable Kevin Brady
Ways and Means Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Brady,

On behalf of the undersigned organizations we would like to express our support for reforming the U.S. corporate and individual tax system. However, our trade associations are concerned that many of our members will not realize the intended benefit of tax reform due to the disparate tax treatment of pass-through entities under H.R. 1, the "Tax Cuts and Jobs Act."

Collectively we represent millions of insurance agents, insurance brokers, financial advisors, and their employees. Many of our members are subject to pass-through taxation rates as owners and shareholders in small and medium-sized businesses.

We believe that any tax code overhaul should provide simplification and certainty for individuals and pass-through entities, along with their C Corporation counterparts. Specifically, the undersigned organizations are concerned that:

- The legislation does not achieve tax parity for pass-through insurance services entities with similar entities organized as C Corporations.
- The legislation applies "guardrails" intended to prevent tax abuses related to pass-through income that will effectively result in a higher tax rate applying to many insurance agencies and brokerages organized as pass-through entities solely based on their chosen profession, while applying a lower tax rate to other types of pass-through entities.

As such we urge you to consider revising the legislation in a way that would not pick winners and losers based on one's chosen profession alone, and would allow insurance services businesses of all sizes to compete more effectively. We are committed to continuing to work with Congress to address these concerns.

Sincerely,

The Council of Insurance Agents and Brokers
The Independent Insurance Agents and Brokers of America
The National Association of Insurance and Financial Advisors

CC: Richard Neal, Ranking Member, Ways and Means Committee, U.S. House of Representatives